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C O N F I D E N T I A L SECTION 01 OF 03 BEIJING 000762

### SIPDIS

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TAGS: PREL PGOV CH TW

SUBJECT: TAIWAN: PRC CONTACTS DISCUSS BEIJING'S "SOFTER"

LINE, WHA PARTICIPATION

REF: A. BEIJING 691 ¶B. BEIJING 580

¶C. BEIJING 517

<u>¶</u>D. BEIJING 145

Classified By: Political Minister Counselor Aubrey Carlson. Reasons 1. 4 (b) and (d).

#### SUMMARY

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 $\P1$ . (C) The "softer" language on Taiwan used in Beijing during the recently-ended "two meetings" by PRC leaders, who made no reference to opposing Taiwan "independence," suggested a conclusion to a period of cross-Strait confrontation and was "extremely significant," according to Beijing-based Taiwan experts. Regarding Taiwan's "international space," our contacts predicted a "new arrangement" would allow Taiwan to participate in the May session of the World Health Assembly (WHA), even as they differed on whether such an arrangement would serve as a model for Taiwan's participation in other UN-affiliated organizations. President Hu Jintao's Taiwan policy is designed to increase cross-Strait stability so as to create conditions for eventual reunification, contacts asserted, but they were skeptical that Hu sought a "breakthrough" on Taiwan as part of his "legacy," as other contacts had recently claimed. Hinting at increased PRC flexibility on political and military issues, Taiwan Affairs Office Director Wang Yi told a CCTV interviewer on March 11 there is no need to avoid sensitive cross-Strait subjects and suggested that academic and expert exchanges on such issues could begin. Commentary in PRC media indicated that China is devising a "new definition" of cross-Strait relations that implies the Mainland does not "control" Taiwan. End Summary.

# "SOFT" LINE ON TAIWAN AT THE "TWO MEETINGS"

12. (C) The "softer" language on Taiwan used in Beijing during the just-completed "two meetings" (of the National People's Congress (NPC) and Chinese People's Political Consultative Conference (CPPCC)) by Premier Wen Jiabao and CPPCC Chairman Jia Qinglin (ref B), neither of whom made standard reference to opposing Taiwan independence, was "extremely significant," according to Beijing-based Taiwan experts. Sun Keqin (protect), Head of the Center for Taiwan Studies at the Ministry of State Security-affiliated China Institutes of Contemporary International Relations (CICIR), told EmbOffs on March 5 that both leaders had focused on cross-Strait economic development and reiterated the key points of President Hu Jintao's "peaceful development" framework approach. Because of the current positive state of cross-Strait relations, there was no need to discuss the threat of Taiwan independence, Sun concluded. Sun nevertheless pointed out that President Hu's December 31

speech on Taiwan, which had been more "overarching," had mentioned the fight against Taiwan independence.

13. (C) Sun Shengliang (protect), Director of the Economic Department at the Chinese Academy of Social Sciences' Institute of Taiwan Studies (CASS-ITS), went a step further March 6, telling EmbOffs that the remarks by Wen and Jia marked the conclusion of a period of confrontation (duikang) between the two sides. Sun Shengliang recalled that language opposing Taiwan "independence and separatism" had been included for more than a decade in government work reports delivered to the NPC and CCPPCC, so dropping those terms was "extremely significant." (Bio note: Sun Shengliang said he would transfer in April from CASS-ITS to the State Council's Taiwan Affairs Office to work in TAO's Research Division.)

# NEW ARRANGEMENT FOR WORLD HEALTH ASSEMBLY?

14. (C) There would be a "new arrangement" allowing Taiwan to participate in the World Health Assembly (WHA) in May, Embassy contacts were unanimous in predicting, even as they professed not to know the exact details. Taiwan Affairs Office (TAO) Director Wang Yi told a CCTV interviewer on March 11 that he was "cautiously optimistic" about Taiwan's participation in the WHA because both sides now agreed to "oppose Taiwan independence" and uphold the "'92 consensus." Liu Zhentao (protect), Director of Tsinghua University's Institute of Taiwan Studies, told EmbOffs March 12 that Wen Jiabao had signaled progress on the WHA issue when he repeated Hu's willingness to seek "fair and reasonable"

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solution to Taiwan's international space concerns during his March 5 NPC speech. At a minimum, Taiwan would no longer be "excluded" from the WHA, Liu predicted, adding that details nonetheless were still being worked out as to the exact nature of Taiwan's participation.

15. (C) Whatever may be worked out regarding the WHA, Taiwan's participation in other international bodies would still be addressed on a "case-by-case basis," depending on the rules governing participation in different organizations, Liu added. This point was separately echoed by Ding Kuisong (protect), Vice Chairman of the China Reform Forum (CRF), who told PolOffs March 19 that Taiwan's participation in the WHA, and possibly in other international organizations, would have to be worked out on a "year-by-year and case-by-case" basis. Ding nevertheless agreed that an agreement on WHA was "likely," given that the Mainland had become much more "flexible" on such issues now that Taiwan had ceased striving for "de jure independence." Niu Xinchun (protect), Deputy Director of the Center for Taiwan Studies at CICIR, separately emphasized the broader implications of any agreement on Taiwan's WHA participation, which he said would likely serve as a "model" regardless of whether China wanted it to. Arguing that the charters or rules governing international organizations were not important, Niu assessed that such bodies would be happy to amend their charters or make exceptions to their rules to allow Taiwan's participation. What was first needed, Niu stressed, was for Beijing and Taipei to reach some sort of "understanding' regarding Taiwan's international space.

# HU STRIVING FOR STABILITY, NOT LEGACY?

16. (C) The primary purpose of Hu Jintao's "peaceful development framework" was to stabilize the cross-Strait situation, contacts emphasized, echoing the views of other Beijing observers from earlier this year (ref D). Hu Jintao's policy reflected a deeper understanding of the situation in Taiwan and the realization that reunification would not happen quickly, according to CASS-ITS's Sun Shengliang. The Hong Kong experience showed that even if reunification were to happen, that would not mean the end of

problems. Bringing stability to the Taiwan issue benefited the Mainland because it allowed Chinese leaders to focus on domestic challenges rather than being distracted by "external" concerns, Sun Shengliang said. CICIR's Sun Keqin commented that President Hu's "peaceful development framework" policy was part of a "short- to-mid-term phase" intended to avoid war and create conditions for progress toward the "long-term goal" of reunification. Hu's policy was not meant to be provocative or contain any definite goals or timetables for reunification, Sun Keqin observed.

17. (C) Contacts were skeptical that President Hu sought a "breakthrough" on Taiwan policy as part of his "legacy," in contrast to the recent claims of other contacts (refs c and d). Sun Keqin and Sun Shengliang separately argued that trying to achieve a "breakthrough" before 2012, when Hu was expected to step down as CCP General Secretary, went against the basic thrust of his policy aiming for gradual improvement of cross-Strait relations with no timelines or deadlines. Even concluding the "peace agreement" that Hu had proposed, which would merely be an "interim" step, would be "too ambitious" to complete within the next three years, Sun Shengliang assessed. In response to the same question about Hu's desire for a legacy, Tsinghua's Liu Zhentao said the focus in cross-Strait relations remained on economic issues, which would take "several more years" of work to fully normalize. The Mainland was concerned that, if it were to try to "force" things too quickly on more sensitive political or military issues, it could lead to a "setback" in cross-Strait relations, Liu averred.

# NO NEED TO "SCRUPULOUSLY AVOID SENSITIVE ISSUES"

18. (C) A broader discussion was underway within China on more sensitive cross-Strait political and military issues, which hinted at greater Mainland flexibility on such matters, according to Embassy contacts and recent articles in the official Chinese media. For example, Wang Wen (protect), an editor at the People's Daily-affiliated newspaper Global Times, recently provided PolOff with a transcript of TAO Director Wang Yi's March 11 interview on Chinese Central Television (CCTV). Wang Wen highlighted for PolOff Wang Yi's

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new suggestions for "exploring" cross-Strait political and military issues. According to the transcript, Wang Yi declared that, even though China's approach to cross-Strait issues was "first economics, then politics, first easy then hard," that did not mean that the two sides needed to "scrupulously avoid sensitive issues." In fact, Wang Yi went on to suggest, "experts and scholars" from the Mainland and Taiwan could start academic exchanges on the question of "pre-unification political relations" and "military confidence-building measures." Retired military officers from the two sides could also have contacts on cross-Strait military relations, Wang Yi suggested in the interview.

19. (C) Recent articles in PRC official media also suggested a willingness to confront the sensitive question of Taiwan's current status, including by implying that China did not "control" Taiwan. A March 3 Xinhua News Agency article, for example, declared that Hu Jintao's December 31 speech had set out a "new definition" for cross-Strait relations. The article interpreted Hu's description of cross-Strait relations as a "political standoff" left over from the Chinese civil war (ref D) to mean there was no dispute over whether China's sovereignty and territory were divided, only over the question of "control" and "ruling methods." (Note: While not mentioned in the March 3 Xinhua article, this commentary comes from an online piece written by CASS scholar Chu Jingtao posted on December 31, 2008, the same day of President Hu Jintao's major speech on Taiwan.) This commentary suggested a growing willingness to admit that the PRC did not "control" Taiwan, according to CICIR scholars Sun Keqin and Niu Xinchun. Sun Keqin said the fact that the PRC

did not control Taiwan had long been implied in statements such as "the two sides are not yet united," but the PRC had heretofore been unwilling to say so explicitly, despite the fact that Taiwan had acknowledged that it did not control the Mainland in 1991. Niu Xinchun stated that if a Chinese leader were to explicitly admit as much, it would be a "very important clarification." Among scholars, this topic of how to define the status quo had long been a "big question," Niu said. While no leader had been that specific on this point to date, both Sun and Niu nevertheless found it significant that official PRC media appeared to be demonstrating increased Chinese flexibility on this point. PICCUTA